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TOM LYTHGOE, CHAIR

KEN WEBER

DAVE KIRSCH

**PROCEEDING OF THE BOARD OF COMMISSIONERS
COUNTY OF JEFFERSON, STATE OF MONTANA
June 16, 2009**

Present: Commissioners Lythgoe, Weber and Kirsch; Matt Johnson, County Attorney; Harold Stepper, County Planner; Tara Mastel and Tom Harrington, JLDC; Bob Hietala, Prospera Business Network; Patti Renevier, PTAC Manager; Bob Sims

REPORTS

Commissioner Lythgoe noted the receipt of the May cash report from the Treasurer's office.

CORRESPONDENCE

Commissioner Lythgoe noted the receipt of two letters from NAHN regarding a loan from Jefferson County to NAHN. The letter requests verification of loan information be sent to an accounting firm in Butte. Commissioner Lythgoe said that there are two loans, one for \$75,000 and one for \$30,000; his question is when we will be getting our money. The maturity date for the \$30,000 loan was May 16, 2009. Commissioner Weber stated that he thinks that the repayment was to start at the maturity date. Commissioner Lythgoe asked if this is something that they need to discuss with Barbara Miller. Commissioner Weber said that we probably should. The letters will be given to the Clerk and Recorder for her response.

Commissioner Lythgoe noted receipt of a letter from MDT regarding the state fuel tax allocation to Jefferson County in the amount of \$100,869.38. He noted that this is down a few hundred dollars from last year.

Commissioner Lythgoe read letters from the Department of Commerce regarding TSEP grants in the amount of \$15,000 each to the county for bridge repairs and the Clancy wastewater project.

CALENDAR REVIEW

6/16 Solid Waste Board - 6:30
6/17 Arbitration hearing - 11:00
6/18 CTAC - 8:00
Multi-County Workshop - 9:00
RMDC - 3:00
6/22 Meeting with Larry Lattin - 9:00

COMMISSION REPORTS

TSEP TRAINING

Commissioner Lythgoe reported that on the 10th and 11th he attended a TSEP workshop in Helena. The purpose of the workshop was to educate engineers and county officials about the TSEP process.

SOUTH CAMPUS SEWER PROJECT

Commissioner Lythgoe reported that the previous day the parties involved met to discuss the potential sewer project on the south campus.

PERSONNEL MEETINGS

Commissioner Weber reported that he has met several times with Kellie Doherty regarding a personnel issue that will be dealt with on Wednesday.

LIBRARY BUDGET

Commissioner Weber reported that he met with Holly Harper regarding the library budget process on Wednesday night. They did come up with a budget which was presented to the Library Board the following night.

LIBERTY PLACE

Commissioner Weber reported that he had to miss a meeting in Whitehall regarding a proposed expansion to Liberty Place, the brain injury treatment facility. He did send a letter of support.

PUBLIC TELEVISION

Commissioner Weber reported Friday morning Lee Good and Rick Haasakker came and met with him to discuss the proposed expansion and upgrade to the TV boards in Whitehall and Boulder. They would like to combine the two and make it a county-wide system as well as containing a channel for each of the Whitehall and Boulder areas.

WHITEHALL TOWN COUNCIL

Commissioner Weber reported that he attended the Whitehall town council meeting the previous night. There were several agenda items that caught his attention; the effort that they are making on their growth policy and the fire recovery effort. He stated that there is an effort to get all of those properties under one owner so that revitalization can happen in a more streamlined fashion, rather than five or six owners trying to make decisions. Tom Harrington reported on that and it sounds like it is an effort that is being made but is not seeing a lot of progress. The mitigation for

asbestos is being tested at this time.

DUI TASK FORCE

Commissioner Kirsch reported that he attended the DUI Task Force meeting on the 9th. They are doing a bit of reorganization.

ELKHORN MINE

Commissioner Kirsch reported that on the 10th he met with the Elkhorn Mine people, including a manager from Canada. They had a pretty good visit, and it looks like there may be a shimmering of hope that things will start to happen.

WEED BOARD

Commissioner Kirsch reported that on Thursday night he met with the Weed Board. One of the concerns is that we are a weed committee, and now we have insects involved – grasshoppers and pine beetles. They feel that they may have to change the designation; they are the only department capable. This is something that the Commission should discuss; they would like to reclassify as weed and insect. Commissioner Lythgoe said that he has heard some talk about this. One thing to keep in mind is the weed mill, which is very specific as to where the money can be spent. However, if there are other non-milled dollars there may be some latitude on how to spend the monies. The next mill levy, they might want to change the language to include some pest control.

HEAD START

Commissioner Kirsch reported that on the 15th he met with Head Start people from RMDC out of Helena. He said that it looks pretty promising that we might get this program. There is also another program which works with younger children.

VA CENTER

Commissioner Kirsch reported that on Monday he met with Larry Lattin. They toured the south campus and looked for a possible site for a VA center in Boulder. He also arranged for a weekly meeting with Larry to gather information before he is called before the board in Helena.

ITEMS FOR COMMISSIONERS ACTION OR REVIEW

DISCUSS AND DECIDE ON AGREEMENT FOR TIF DISTRICT ON NORTH END

Tom Harrington said that he and Tara have been working with a business who is interested in locating in north Jefferson County. They are a subsidiary of a large corporation, but he can't go into details at this time. This could add about \$12 million in construction, several good jobs and there is the potential of one or two ancillary businesses that would also locate with this organization. Right now they are in the process of doing their due diligence and he and Tara have been providing them with information on potential financing sources and looking at options as far as helping them out. They did meet with the general manager about two weeks ago, and they are very interested in what the local support is, both governmental and private. One of the questions they had was if there was the potential for a tax increment finance district. They talked about what is going on in the south end and the potential TIF District. Tom said that they

contacted the contractor that is working on the TIF district on the south end and asked for a quote to do the work for a north end TIF. They gave a quote of about \$7,500 to complete that, which would include all the required public meetings. Tom said that the organization hasn't made a final decision yet, but they wanted to present this to the Commission to get their opinion on the TIF option.

Commissioner Weber asked if there is any base of knowledge regarding the desirability of a TIF versus a tax break or suspension of taxes for a period of time. Tom stated that they talked about both of those options and he thinks that the tax break is more of a one-time option whereas the TIF District has a fifteen year life. He thinks that the TIF being based on construction and development and as things develop and grow larger, then you have more benefit going back to that specific district. Commissioner Weber stated that the money is used within that district. Tom said that this is correct; it is used within that district for infrastructure. Commissioner Weber asked if this particular entity feels strongly one way or the other which would benefit them the most. Tom answered that they haven't really explored that. He and Tara gave them some information. They are familiar with TIF Districts in other states. They have also been in contact with the Planning Department regarding zoning.

Commissioner Lythgoe asked if the initial developer benefits the same as any future businesses that come in. Tom said that the money is actually controlled by the Commission, and being a TIF District would go right back into the infrastructure that is on site there. As future development comes and other parties may locate in that area they would obviously benefit from the TIF and would contribute as well.

Harold said that he and Bonnie attended a TIF conference several years ago, and they learned that the business cannot use the money for buildings, but must be used for infrastructure. Also, once the resolution is adopted, it can take some time to accumulate enough money to do any infrastructure. He feels that a tax break would be a better option in this instance.

Commissioner Weber stated that as a district, they can basically take out a loan against the district up front. They would pay their taxes the same as they would, but they have the benefit of the infrastructure. Harold said that this is correct, but with the business that is talking about coming here, they would benefit more from a tax break. Commissioner Lythgoe stated that Montana law allows for that; we have a lot of latitude as far as what we can give as incentive for a business to locate in Jefferson County. Tom Harrington said that both options were presented to the company; they are familiar with tax breaks and have also used TIF Districts. He noted that he and Tara don't have a preference in which way to go, they are just supportive of the business coming into Jefferson County in any way possible. The reason for putting this on the agenda is to gauge the Commission's support of a TIF District if that is the option the business chooses.

Commissioner Weber said that it sounds like they are just looking for support from the Commission in the way of incentives to locate here. Tom stated that this is correct. When the manager was presented with different financing options, he stated that the most important thing is the support of the local government. Commissioner Lythgoe said that in thinking about this, if a tax break were given, they could use the savings to build their buildings. Commissioner Weber

said that he thinks that this is very valid, but when you start talking about financing, you want to look where you get your biggest bang for your dollar. If we just cut their taxes and they use that for infrastructure, can they get as good a break on their taxes, their incomes taxes. Which option gives them the best deal will come from their experiences in other states. Commissioner Weber stated that when they come forward they will present to us the best option for them, based on their past experience.

Commissioner Lythgoe said that he thinks that the message that this Commission would want to send to them is that we are willing to look at a TIF district, an extended tax break, whatever they choose.

Commissioner Weber moved that as a Commission, they take a stance that we are business friendly and willing to work with companies that want to come to Jefferson County, and are willing to discuss options as it relates to TIF districts, tax breaks and any other options that will offer incentive to business to move into Jefferson County. Commissioner Kirsch seconded. The motion carried.

DISCUSS AND DECIDE ON SUPPORT FOR THE MONTANA PTAC PROGRAM

Tara Mastel, JLDC, stated that she is at the meeting to discuss the PTAC program, which helps assist businesses in getting government contracts. She stated that the reason they are bringing this before the Commission is that the program recently lost \$20,000 of their funding. Tara said that they have found the program to be very beneficial, and helps existing businesses find new markets, which is very important in today's financial climate. They have found in working with Patty, the PTAC manager, that she is an excellent resource. They have 57 clients in Jefferson County. The JLDC is very interested in maintaining this valuable resource. She is asking that the Commission support the program and help to offset some of their loss to the tune of \$3,000 to \$5,000 annually.

Bob Hietala, CEO of Prospera Business Network, stated that funding for the program comes into the state through the Department of Defense. He noted that this is not just for companies contracting with the Department of Defense, they are just the agency that funds these programs around the country. The Department of Defense fund 61% of their program, Prospera covers 23% of the program and they have had for the last two years a \$20,000 match from an organization at Montana State University. They recently lost this match funding.

Patti Renevier, PTAC manager, said that she is one of four areas in the state. She has put on four workshops, three of them in the evening, as the attendees are working during the day. She also held a computer workshop at the high school in Whitehall to give hands-on experience in registration for government contracting. She helps with registrations, helps with getting through the process, and then sits down and helps figure out a marketing plan. She also helps with grant applications. Patti named several Jefferson County businesses that she has been working with. Commissioner Weber asked Patti if she provides grant management once the contracts are awarded. Patti said that she is with them cradle to grave.

Commissioner Lythgoe asked Tara if there is anything that she would like to add. Tara said that

this is a very valuable resource for Jefferson County. Patti has some very specific skills that they don't want to see go away. Commissioner Weber noted that the request actually went to the JLDC, and asked if they are requesting that this be added to their budget.

Commissioner Lythgoe moved to encourage JLDC to put \$5,000 for this program into their budget for the coming fiscal year. He is supportive of this group receiving this money and he feels that it is a great advantage to have these experts available to walk people through the process. Commissioner Weber said that he feels that this is appropriate, but not sure that it needs to be an action item at this time. The motion was withdrawn.

APPOINT BOARD MEMBERS

Commissioner Weber moved to appoint Sandi Lanes to the South Metal Mines Committee. Commissioner Lythgoe seconded. The motion carried.

Commissioner Kirsch moved to appoint Ray Lee to the Boulder Mosquito Board. Commissioner Lythgoe seconded. The motion carried.

Commissioner Kirsch moved to appoint Cindy McGinnis and Dustin Anderson to the DUI Task Force. Commissioner Weber seconded. The motion carried.

SIGN DETENTION SERVICES AGREEMENT

Commissioner Weber moved to authorize Commissioner Lythgoe to sign the agreement between RYO and Jefferson County for juvenile detention services. The agreement amount of \$226.60/day does not change from the previous agreement. Commissioner Kirsch seconded. The motion carried.

JLDC UPDATE

Tara Mastel and Tom Harrington gave a PowerPoint presentation which compiled the accomplishments of the JLDC over the past 10 years. Total county investment over the past 10 years is close to \$900,000, while funds brought to the county since 2000 total \$3,766,019. The JLDC has helped with the creation of 87 jobs and helped with the retention of 233 jobs. They have also been active in business attraction and expansion.

Commissioner Lythgoe said that he thinks that he can speak for the Commission, that they are very supportive of the JLDC and they recognize the accomplishments made. Commissioner Kirsch said that throughout the county, wherever you go, the JLDC has an outstanding reputation. He has never talked to anyone that didn't think very highly of them.

DISCUSS AND DECIDE ON REQUEST OF COUNTY ATTORNEY TO ADD A LINE ITEM IN VICTIM ADVOCATE'S BUDGET FOR PAYMENT OF TEMPORARY EMPLOYMENT IN THE VICTIM ADVOCATE'S OFFICE

Matt Johnson, County Attorney, stated that as they may know, Ed Krasinski is out of the office for up to six weeks with a medical issue. Jessica Kirsch has been filling in on a temporary basis, but Ed doesn't have a line item for temporary help. Matt said that Ed may have some funding left in his budget. He is not sure how many hours per week will be needed. Commissioner

Lythgoe asked Matt if he is saying that there is some money left in the budget that could be used. Matt said that there is a question on how the budget is covered. The Commission has committed \$10,000 of funding towards Ed's grant program and the discussion is if this is all in-kind or if there is cash involved also. If they are to consider only cash, then \$6,000 has been given so far this year; if they are considering in-kind, then the entire \$10,000 has been given. Ed also gets money from fees through the courts. Bonnie has been taking these monies and paying for parts of the program.

Commissioner Lythgoe asked what they are looking for. Matt said that he is asking for \$2,000 to be added to a 117 line item. Next year they will add this line item to the budget. Commissioner Lythgoe called Bonnie to ask if there is \$2,000 somewhere in the budget to fund this. Commissioner Lythgoe stated that Bonnie indicated that she can find the \$2,000 within the Victim Advocate budget. Matt asked that they create the 117 line item for temporary help.

Commissioner Weber moved to create line item 117 in the Victim Advocate budget. Commissioner Lythgoe seconded. Matt said that he will be at the budget discussion this year with Ed. The in-kind versus cash issue will have to be resolved. The motion carried.

DISCUSS AND DECIDE IF THE COUNTY SHOULD BECOME A THIRD PARTY TO SUBDIVISION COVENANTS

Matt stated that he thinks they had a good discussion at the previous meeting and that they came to a general agreement that this is probably biting off more than we can handle without some large funding to enforce. He has been instructed to look at a different way to handle this issue, ways to address how to make sure that people are building within the building zones. All agreed that the Planning Department needs to do the best they can to make sure that everything that is to be completed for final plat is completed before coming for final plat consideration. Additional to that, he found that in zoning districts there is a way to have a program to enforce building zones and have the ability to inspect building sites before construction starts. However, property would need to be in a zoned area to enforce, and there is nothing in the subdivision regulations or state statute that permits authority to have a program to ensure that people are building in the correct location. There are the building codes and Title 50; and with building codes it allows a county to have their own building code enforcement program as long as it abides by the regulations of the state Department of Commerce. However, they have all kinds of requirements and conditions and his question, before they decide to pursue this, is if they would require that all building code regulations be enforced or if they would allow us to have one area that we want to look at, i.e. building sites.

Commissioner Lythgoe asked if, by resolution, we could pick and choose which codes we will enforce. Matt stated that it would need to be approved by the Department of Commerce first. He will look into it more.

Commissioner Kirsch asked if someone would be required to do the inspections, and what their requirements would be. Matt said that it would depend on how the program was set up. The County could also contract with someone for this. This could be the most economical option. Commissioner Kirsch asked if they were to choose someone from in-house, who would be the

obvious choice. Matt said that hypothetically, if they did approve our one-item regulation, it would probably be someone from the Planning Department, but he isn't sure it could be done with the current manpower. Harold said that if it was 2005 or 2006, he would say absolutely not; he was a one-man operation at that time. Currently they are in a bit of a lull, but if things picked up again, they could be in trouble.

Commissioner Kirsch moved that the Commission not become a third party to subdivision covenants. Commissioner Lythgoe seconded. The motion carried.

OPPORTUNITY FOR PUBLIC COMMENT

Bob Sims stated that he has two issues to discuss regarding water. HB 52 provides \$4 million to the Montana Bureau of Mines and Geology to survey groundwater resources in the state. There are currently 33 areas designated, and Jefferson County not one of them. The committee will whittle the list down to 6 or 8 areas, and the Boulder Valley needs to be on the list. Criteria include – growth rate, number of exempt wells, if the basin is closed, and the expansion of ag use.

He talked to the chair of the steering committee, Amy Bamber, and said that she would put Jefferson County into consideration. She went on to state that there had been mixed interest from the 33 counties named. Bob said that he sees this as an opening for Jefferson County. He is asking that the Commissioners to call Amy and that at least one of them attend the meeting.

Bob stated that his second item is the Clean Water Restoration Act, which is to be voted on in committee on Thursday. The Act is supposed to be for navigatable waters, but the changes will include every imaginable body of water. He is asking that the Commissioners contact Senators Baucus and Tester and tell them that we can handle our water just fine without more Federal help from DC.

Commissioner Lythgoe asked about the meeting to be held in Butte the following day, and asked Tom Harrington if he would attend. He will call Amy and indicate that we will have two people there.

Commissioner Weber stated that the brush-offs he has been getting regarding this is the zoning in the Boulder Valley inhibits growth and our overall population doesn't compare to the larger areas. Bob said that he attended the Interim Water Policy Committee in Hamilton last year, and what you are fighting is the Board of Realtors whose interest is selling houses.

Commissioner Lythgoe said that they would also contact the senators.

Tara said that she wanted to talk about the south campus water and sewer project. There was a meeting the previous day and those in attendance were Commissioner Lythgoe, Mike Ruppert, Department of Transportation, MDC, Town of Boulder, the County Shop, JLDC, and Riverside

was not in attendance but did send a letter committing funds.

The sewer on the south campus is quite old, over 50 years, and has failed in the last couple years. JLDC has been working with Headwaters to get the upgrade done. They put in for a planning grant, money has been put in for a design, and the plan has been approved by the DEQ. The meeting yesterday was to have the parties involved come together and discuss matching funds. The engineer came up with breakdown based on flow which is fairly complicated as there are portions of the pipe where the flow is used by all parties. Yesterday, there was talk of dividing the costs based on pipe running through one's property. This is a different breakup than had been discussed, but everyone seemed pretty interested. There was a tentative agreement at the meeting that the City of Boulder and MDC would, one way or the other, fund the pipe that is in the city limits and also goes directly from MDC to the junction that goes to the lagoon. They didn't come to an agreement, and may not until July at the next city council meeting.

Tara said that they are on a very tight schedule and even if they started bidding tomorrow, it would be very challenging to complete the project this construction season. They really would like to get this project done because a couple weeks ago there was sewer backup that came very close to forcing the evacuation of the Elkhorn Treatment Center. The backup was at the junction of the new pipe and the clay tile, and they suspect the clay tile was the cause. Also, this is a very good time to bid projects; the engineering firm said that they are seeing bids come in 20 to 40% lower than their estimates.

The JLDC is suggesting that the County start on the project on the other side of the river and let the City and MDT continue to work out their issue. The engineer is working on some revised cost estimates based on the discussion at the meeting yesterday.

Commissioner Lythgoe said that nothing that we would do flows into that main that there is controversy about. Tara said that it does. They could have a problem with their clay tile in February and it could shut everyone else down. Commissioner Weber said that we are in that position now, whether we do the upgrade or not. Tara said that it is apparent that everyone needs to participate in some; no one has enough money to do the project on their own. MDC is going to bring their decision-maker to the next meeting, to hopefully be held in the next week or two.

Commissioner Lythgoe said that the City and MDC not being able to come to an agreement affects us all. Tara said that prior to yesterday's meeting everyone was pretty much agreed that they would pay for the whole system based on their flow rates. At yesterday's meeting it was suggested that they look at a division based on where the pipe lays; who owns the ground that the pipe runs through.

Commissioner Kirsch said that coming from the new meth treatment center, there are three man holes. The plug that happened last time was actually on the new line, right at the man hole. The line then travels down to the other two manholes. Commissioner Kirsh said keeping in mind that the new line will become the property of the City of Boulder when the south campus is annexed, keeping in mind that the fee for use of the line goes to the City of Boulder, and keeping in mind that the City of Boulder charges MDC for sewer services when MDC owns the lagoons

– and they have been told by Mike Ferriter that they have no business billing MDC for sewer services - the City of Boulder is playing hardball here. Tara said that what she saw in yesterday's meeting is hope that there is a way to resolve this issue that is a big headache for everyone. She saw the City go from saying that they weren't going to pay anything to being willing to contribute a fair amount. The same is true for MDC. Commissioner Lythgoe asked if there is a possibility that they could be included in this contract or is it going to have to be two separate contracts. Tara said that she can't answer that question at this time. They don't have the information from the engineer or the information from MDC if they will be able to do anything.

Commissioner Lythgoe said that they gave us \$167,000 based on the information we gave them regarding fixing the problem and he is wondering they will allow us to use the money to fix just a part of the problem. Commissioner Weber said if that we would still be fixing all of our problem. Commissioner Lythgoe countered that this doesn't make any difference. Tara said that actually, they said that the \$167,000 would be a portion. They looked at the breakouts of the entire project, which totaled about \$450,000. The JLDC portion is in the \$190s, so we submitted the request to do the south campus land. Commissioner Weber said that the big problem is that they are downstream, we are upstream. We are going to fix a problem going into a potential problem area. That is the big headache here. Commissioner Lythgoe said that it makes sense to him if we are trying to solve a problem we need to solve the problem. He would hope that the players would do the right thing and come forward and be responsible. It doesn't make sense to him for us to do our portion if the biggest failure can come at that junction that they need to take care of. Tara said that if the money is going to be spent this construction season, we need to get moving.

Commissioner Weber moved to adjourn. Commissioner Lythgoe seconded. The motion carried.

MEETING ADJOURNED

ATTEST:

BONNIE RAMEY
CLERK AND RECORDER

TOMAS E. LYTHGOE, CHAIR

KEN WEBER, COMMISSIONER

DAVE KIRSCH, COMMISSIONER